



Brandlines

Brandlines Chooses Microsoft® Business Solutions–Axapta® to Drive Growth Strategy

Brandlines Limited, an importer and marketer of leading confectionery and grocery brands (including Smint, Chupa Chups, Werthers Original, Lindt and Mentos) adopted Microsoft Business Solutions-Axapta as a complete end-to-end solution to support its entire business. With an ambitious growth target, the company was also facing issues of lost revenue as a result of disparate warehousing and dated legacy systems. As a result of implementing Axapta, Brandlines now experiences improved warehousing efficiencies, considerable reduction in stock wastage and all the advantages of integrated systems. They now have the technology in place to support ongoing expansion.

No sweetening the blow of lost stock and revenue

Tofigh Alizadeh, Information Systems and Customer Services Manager for Brandlines, explains that the company's main challenges related to lack of good business information due to disparate dated legacy systems and lack of expiry date information relating to stock on hand. Improved stock rotation was required to ensure the oldest stock was dispatched first, along with knowing where to locate stock and what quantity was housed at each location. Previously, stock in the warehouse was rotated manually, relying upon the team in the warehouse to ensure an efficient flow of goods from the warehouse to the customer, making sure the 'oldest' stock was dispatched first. Brandlines estimated that they had lost up to \$150,000 in each of the previous three years due to poor stock rotation.

"With our existing systems, we would regularly write-off stock because it was not easily located and dispatched before it went out of date. It was also difficult to guarantee the integrity of data used to forecast sales, which resulted in excess stock holdings," explained Alizadeh.

Brandlines had been going through a period of growth, with the company doubling in size over the past few years, but they had multiple legacy systems which were not capable of handling the growth and diversity of the FMCG sector. The systems didn't interface with the new tools the company was putting in place like Tablet PCs, and wireless and mobile technologies. Meanwhile, Brandlines also knew they didn't have a warehouse management system or accessible business information which could support their plans for expansion.

"The stability of our system was also a concern to us, since it would crash three or four times a year. We often process up to 400 orders a day, which can equal as many as 4,500 individual order lines. You can imagine the impact a crash has when the system isn't backed up and that order line information 'leaks' or disappears. Our staff would have to manually re-process all that information, which doubled the workload for four or five people. We needed an accurate and complete business transaction all the time, not just 99 per cent of the time. The bottom line was we were losing revenue because we were losing data and didn't have an accurate picture of our stock."

Brandlines' legacy system also had an inflexible reporting tool and Alizadeh found he couldn't get the information he wanted quickly enough. "We were being reactive to the market because we had a disparate set of a technology packages - our reporting,

Solution Overview

"Brandlines plans to strengthen its position in the grocery and confectionery market with a much broader product offering and Microsoft Axapta is best suited to support this growth strategy."

**Tofigh Alizadeh,
Information Systems and
Customer Services Manager
Brandlines Ltd**

Customer Profile

Established in 1972, Brandlines has grown substantially in recent years to become a leading player in the FMCG (fast moving consumer goods) market in New Zealand.

Employing over 160 people and with revenues exceeding \$50 million, Brandlines operates from 15,000 sq metres of warehousing set out on 10 hectares on the outskirts of Palmerston North. This central location means Brandlines can provide next day delivery throughout the country by using a combination of its own delivery fleet and contracted freight companies.

Web Site

www.brandlines.co.nz

Industry

Retail and distribution

Customer Size

Medium

Scenario

ERP

Business Situation

An outdated warehousing and inventory system that could not cope with growth nor deliver in-depth business information prompted Brandlines to modernise its ERP system with the latest Microsoft business solution.

financial accounting and warehousing all operated separately. We also found that support for our old legacy system was shrinking fast, with less and less system development taking place and no investment in R&D by the vendor. We were concerned that we'd end up with unsupported technology."

Making the business case for an integrated solution

After assessing the issues, Brandlines went through the critical stage of justifying why they needed a new system and the risks associated with not upgrading quickly.

"Our directors understood the problems we were facing, but we had to prepare a robust business case to persuade them the investment was a good one. Once the business case was accepted by the board, we looked around for a solution which would meet our needs. The most important factor for us was having a system which would be supported in ten years time and one which was still being invested in. We considered SAP, Oracle and Epicor, as well as Microsoft MBS Axapta. We were attracted to Axapta, but had not heard much about it, so we met with Solution Partners, who then proposed a strong ERP solution to us. Solution Partners were very experienced in Microsoft Axapta; they offered us excellent advice and support and quickly understood our business issues."

Translating information transfer into sales

Kelvin McKinstry, Solution Partners Business Applications Consultant, played a key role in integrating Axapta into Brandlines' business.

"We used Microsoft's Axapta as a basic package, and chose modules to suit Brandlines' business needs. BizTalk was also integrated and now runs parallel to Axapta to assist with file exchange and electronic ordering and customer invoicing. This is done over the web and via coded files sent to Brandlines via BizTalk. BizTalk enables that transfer of information and its resulting translation into sales. There is no paper being moved around the warehouse now, having been replaced with Tablets with scanning devices. This technology minimises the number of keystrokes needed, further reducing the potential for human error. The software was developed in-house using Microsoft embedded technology, which interfaced with Brandlines' backup SQL Server that uses Axapta," outlined McKinstry.

Revolutionising stock rotation

The previous system had no way of enforcing the "picking" of the oldest product – this rotation of stock was done manually. With Axapta and via a barcode system, Brandlines' staff can now rotate stock accurately to send it out in the correct sequence. Greater validation is also achieved by scanning the bar codes of all products as they arrive at the warehouse and as they are subsequently moved to new locations within it. Each product or pallet is labeled with a bar code which is then scanned again when the product is moved anywhere in the warehouse.

"We now collate much more information at the point at which stock arrives, which has enabled us to get high quality and correct stock out to the customer in a timely way. We have also drastically reduced the potential for human error," says Alizadeh.

According to Alizadeh, the new warehousing system has streamlined the job of the stock rotaters too.

"A transfer journal can now be run overnight which then tells the person responsible for rotation what stock to move each day and where to move it to. The difference is that the stock location and quantities are now updated in 'real time', which drastically reduces time wasted by going to a location where staff expect to find stock but don't, because it was recently selected by another warehouse 'picker' for another customer order," explains Alizadeh.

Automating the process

For the past fifteen years Brandlines had been using an older, DOS based system, but with this new system the whole warehousing process has been automated.

"Axapta has introduced both quantity and location logic to the Brandlines' warehouse system. There is also a failsafe element put in place which stops the wrong product being sent out via an error message appearing on the system, preventing the order being shipped," adds Alizadeh.

Axapta enhances accuracy and leads to happier customers

Brandlines currently have around 45 user licenses and 40 sales reps in the field are

Solution

45 concurrent users for Microsoft Business Solutions-Axapta

Value to Business

- Improved stock and warehousing management
- Improved operational efficiencies and cost-savings
- Enhanced business information and analysis
- More accurate sales forecasting
- Increased customer and staff satisfaction

Microsoft Technology:

Microsoft Business Solutions-Axapta

Partner

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using PDTs which are connected to the BizTalk system, allowing them to send and receive data to and from Axapta.

Staff are not the only ones to benefit from the Axapta solution. Other improvements include fewer picking errors – where previously customers would sometimes receive the wrong flavour of product in their order, due to loose validation of products being picked, each item of stock now has a detailed bar code which means validation is much more strictly enforced. Previously there was also a risk of delay in fulfilling orders because records of stock did not always accurately match what was in the warehouse. Picking speed has significantly improved as a result of rationalising the picking process together with access to improved information to enable more efficient warehouse layout.

Realising business benefits

Having 'real time' information available via Axapta means staff can see how stock is moving around and they can tackle problems like clearing short dated stock, improving freight efficiencies and late or inaccurate deliveries.

"We realised the benefits within three months of putting the system in place. Our sales team says they can now respond to customer queries much more quickly than before because they have access to much more accurate information and an improved reporting system. Better customer relationships are being forged as a direct result of improved efficiencies and accuracies," enthuses Alizadeh.

"We knew we had too many people doing duplicated tasks because we didn't have a robust, integrated system in place, and by streamlining our approach and introducing Axapta, we were able to redeploy three people who were carrying out administrative tasks and place them in areas where their skills could be put to more effective use; analyzing information as opposed to processing data."

"After the solution was put into place, I was able to take on the new role of Customer Services Manager in addition to my current job as Information Systems Manager, which is something I couldn't have contemplated prior to introducing Axapta. We had a really strong working relationship with Solution Partners and I know that without their support, Axapta wouldn't be in place now. By working closely together, Brandlines now has a powerful tool and a solid platform for future business growth."

What's in the pipeline?

Brandlines have plans for other Axapta modules to be added, particularly 'Master Planning'. In the future, Brandlines also plans to use Microsoft Axapta to enable customers to order online.

"We plan to standardise our technology platform on Microsoft products in the long term so our IT infrastructure is seamlessly integrated. I'd like to see sales staff with Web access to relevant product information, newsletters, and promotions via the Microsoft-Axapta Enterprise Portal. This will complement the company's existing sales force automation tool which utilises Pocket PC devices. My goal for the future is to be able to make Brandlines warehousing information available anywhere and at any time," concludes Alizadeh.